USDA

United States
Department of
Agriculture

Office of the Chief
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TO: Agency Heads

FROM: Scott Charbo
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           Office of the Chief Financial Officer

SUBJECT: USDA Fiscal Year 2005 Investment Portfolio Reports on Information
           Technology

This memorandum initiates the Fiscal Year (FY) 2005 Information Technology (IT) portfolio formulation and review process at USDA. In order for the Office of the Chief Information Officer (OCIO) to determine the Department's overall IT investment plan for FY 2005, *all USDA agencies and staff offices must provide FY 2005 investment information for their entire IT portfolio*. This information is requested in preparation for the FY 2005 submission to the Office of Management and Budget (OMB). Exhibits required by OMB include the Exhibit 300 - Capital Asset Plan and Business Case, Exhibit 52 - Report on Resources for Financial Management Activities, and Exhibit 53 - Agency Information Technology Investment Portfolio. A similar memorandum that provides detailed instructions for the investment review is being distributed to your agency Chief Information Officers (CIOs).

There are a few changes to the information required this year to support IT investments. These changes are driven by the need for more information in the high priority areas of eGovernment, cyber security, telecommunications, and enterprise architecture. See Attachment 1 for more details on the high priority areas. The *USDA IT Capital Planning and Investment Control (CPIC) Guide* has been updated to reflect these changes. The Guide has also been revised to reflect the fact that USDA has modified its scoring to incorporate all of the OMB's scoring elements into its process. This change will allow us to understand which exhibits and subject areas need additional work before submission to OMB. Agencies should ensure these priority areas receive appropriate attention in Exhibit 300s and in describing small investments in the agency's portfolio in the Information Technology Investment Portfolio System.

Reporting Requirements

The following documents are required to be submitted by each agency and staff office:

Document	Date Due	Submit To:
OMB Circular A-11 Exhibit 300 for all major investments along with supporting studies for business case (for internal review).	May 30, 2003	OCIO
OMB Circular A-11 Exhibit 53	July 15, 2003	OCIO
OMB Circular A-11 Exhibit 300 (for OMB)	August 15, 2003	OCIO
OMB Circular A-11 Exhibit 52	August 29, 2003	OCFO

See Attachment 2 for an overall calendar for Investment Year 2005.

Agencies must also ensure that funds requested for your IT investments through this process match those requested for IT through your program budget process. That is, requests for increases for IT must be reflected in the requests for program funds through the Office of Budget and Program Analysis. This will require that your budget officers and CIOs work closely together to understand and accurately represent your IT funding needs. To ensure consistency between processes and to gain a clearer understanding of agencies' IT budget priorities, OCIO staff will meet with agency Deputy Administrators for Management, CIOs and Budget Officers during the budget review process to discuss requests. These meetings will be scheduled during mid-July. Agencies should plan to discuss their IT priorities for BY 2005 and how they relate to the USDA strategic plan as well as priority program budget requests.

OCIO appreciates your efforts and that of your staffs' in meeting these deadlines. For questions concerning this memorandum and the USDA Capital Planning process, please call Gregory Parham, Associate CIO for Information Resources Management at 202-720-5865.

Attachments

High Priority IT Investment Areas

eGovernment

In October 2001, USDA, through the direction of the President's Management Agenda on eGovernment and its own strategic and tactical planning efforts, committed itself to provide products, services and information using electronic delivery channels. For the past 18 months, members of cross-agency teams have been providing support to and adding to the success of both Presidential Initiatives and USDA's eGovernment Smart Choice Initiatives. In addition, most agencies are developing agency-level eGovernment initiatives to support program delivery. These agency-level eGovernment initiatives should **not** duplicate the solutions being delivered as part of the Presidential or Smart Choice Initiatives.

These Initiatives will enable USDA to meet the goals of the President's Management Agenda and achieve USDA's eGovernment vision to become a reality by transforming its program delivery. The Secretary, Deputy Secretary, the Chief Information Officer, and the Executive Information Technology Investment Review Board (E-Board) fully endorse the work performed in support of the President's and USDA's eGovernment Initiatives.

In support of this direction, Deputy Secretary Moseley stated in his August 6, 2002, memorandum to Subcabinet officials, Subject: *"eGovernment Priorities and Next Steps,"* the agreements made by the Subcabinet officials at the July 17, 2002, meeting of the E-Board. The memorandum confirmed that Subcabinet Officials were directed to work with their agencies and staff to ensure that they "… discontinue single agency Information Technology (IT) and related IT service investments that replicate or overlap USDA eGovernment initiatives or Presidential eGovernment initiatives." This statement reinforces OMB's direction that agencies must use collaborative and blended approaches and eliminate single-agency investments.

The Presidential and USDA Smart Choice initiatives are described below. Those initiatives with which an investment will integrate should be identified.

Presidential eGovernment Initiatives/President's Management Agenda.
"Expanding Electronic Government" is one of the five key elements in the President's Management Agenda. The key goals of this element are to improve IT planning through the budget process and champion citizen-centered electronic government that will result in a major improvement in the federal government's value to the citizen. A government-wide eGovernment task force was convened by the Office of Management and Budget (OMB) and the President's Management Council in July 2001 and developed 24 initiatives to support the President's Management Agenda. USDA is a significant participant in 19 of the 24 initiatives and is working to align overlapping Departmental projects with the eGovernment initiatives of the

Administration. USDA is contributing $7.1 million in FY 2003 and $8.5 million in FY 2004 and, in some cases, making in-kind contributions of personnel. Agencies should note that Presidential Initiatives are considered part of the USDA overall IT investment portfolio. The OCIO will take the lead for documenting these investments. Additional instructions will be provided to agencies on how to document their contributions in I-TIPS.

USDA eGovernment Smart Choices.
USDA's eGovernment Strategic Plan serves as the Department's guide to transforming the development and delivery of USDA information and services. The plan identifies 24 cross-agency eGovernment opportunities that were approved by the Deputy Secretary and the E-Board for subsequent business case development. These 24 opportunities have been categorized as either Strategic or Enabler initiatives. The 15 Strategic initiatives are programmatic in nature and directly impact how information, services, and products are delivered to USDA customers. The nine Enabler initiatives provide the foundational architectural components that allow program delivery from an enterprise perspective and build USDA's future enterprise architecture direction.

12 of the 24 initiatives were singled out as the highest priorities for USDA and labeled Smart Choice Initiatives. To date, Select-level business cases have been developed for 6 of the original 12 Smart Choice Initiatives. Business case development for the remaining initiatives, except eProcurement which is in the Control phase, is scheduled to begin in FY 2003. Eleven of USDA's 24 eGovernment opportunities integrate with government-wide Presidential Initiatives.

Specifically, **all** proposed IT investments must describe how they will align with and/or use a Smart Choice Strategic or Enabler Opportunity/Initiative. For those investments that have no alignment, a justification must be provided. Additional information regarding these initiatives can be found at www.egov.usda.gov.

Enabling Initiatives. During USDA's eGovernment strategic planning process, agencies identified 9 Enabling Opportunities, 6 of which were identified as high-priority Smart Choice initiatives because of their importance and impact. These opportunities are:

Smart Choice (high-priority) Opportunities:
- eAuthentication
- eLearning
- Data Management*
- Document Management*
- Content Management*
- USDA Web Presence and Portal Strategy*

*NOTE: These opportunities have been integrated into the eDeployment initiative.

Additional Enabler Opportunities:
- Application Hosting

- Citizen and Public/Private Organization Database
- Service Center eEnablement and CRM

At the July and August 2002 meetings of the E-Board, the eGovernment Executive Council was tasked with developing select-level business cases for six high-priority USDA eGovernment Smart Choice Initiatives. As recommended by the Board, four of the six, Web Presence and Portal Strategy, Document Management, Content Management, and Data Management, were integrated into one business case, eDeployment. USDA has completed Select-level business cases for eAuthentication, eLearning, and eDeployment and has moved these investments to the Control phase. More than 200 USDA employees from across the Department collaborated on cross-agency teams to craft 3 Select-level business cases for these initiatives. These business cases define specific business and technical requirements, analyze alternatives for supporting the applicable business functions, and define recommended business and technical solutions. The remaining 3 Enabler opportunities will begin work during FY 2003.

All proposed IT investments must describe how they will align with and/or use the Smart Choice Enabler Initiatives. Included in the description should be the technology components required to support the investment. Technology components examples:

Web page design or updates, search engines, portal products, content management tools or development of related processes including information architectures (taxonomy, meta data, etc.), document management or workflow tools and related processes, electronic records management tools and related processes, data standards, databases, or data warehouses, authentication and/or authorization, i.e., single sign-on, PKI, etc., electronic training, distance learning, electronic content development, etc., and purchase of third-party electronic content (online journals, periodicals, databases, etc.).

Agencies should note that Smart Choice Enabler Initiatives are considered part of the OCIO's overall IT investment portfolio.

Strategic Initiatives. During USDA's eGovernment strategic planning process, agencies identified 15 Strategic Opportunities, six of which were selected as high-priority Smart Choice opportunities. These opportunities are:

Smart Choice (high-priority) Strategic Opportunities:
- Department-wide eProcurement
- eGrants
- eLoans
- Food Safety and Security Tools
- Online Trade Assistance
- Web-based Supply Chain Management

Additional Strategic Opportunities:
- eRulemaking
- Nutrition/Dietary Guidelines/Food Safety Awareness
- eMaps
- ePermits/Certificates
- Financial Management Tools
- Human Resources Online
- Physical Asset Management
- Survey Capability

Pre-Select level business cases were developed for five of the six high-priority Smart Choice Strategic Opportunities, specifically eLoans, Online Trade Assistance, eGrants, Web-based Supply Chain Management, and Food Safety and Security Tools. The Department-wide eProcurement initiative previously completed all business case studies and is currently in the Control phase of the CPIC process.

During the remainder of FY 2003, it is anticipated that Select-level business cases will be developed for all of the above Smart Choice Strategic initiatives to advance them through the next phase(s) of the CPIC process. Agencies should note that Smart Choice Strategic Initiatives are considered part of their lead agencies' overall IT investment portfolio.

Agency eGovernment Tactical Plans.
To augment the Department's eGovernment Strategic Plan, each agency has developed an Agency eGovernment Tactical Plan. The Agency eGovernment Tactical Plans describe how each organization will support and integrate with the USDA eGovernment Strategic Plan, the Presidential eGovernment Initiatives, and other eGovernment priorities that may be critical to its business. Additionally, the plans provide an opportunity to further enhance the visibility and integration of eGovernment planning efforts across the Department and allow OCIO to better manage USDA's IT portfolio.

Cyber Security

Due to the increasing emphasis on security issues and the ongoing need to improve IT security, each agency should pay particular attention to reporting accurate security cost and schedule information in the IT portfolios. It should be noted that this requirement applies to all systems and is not limited to major investments. As part of the major system security review, please address any weaknesses that were identified as part of the Federal Information Security Management Act review.

Several agencies received significant Homeland Security funds that will affect IT portfolios. IT investments arising from Homeland Security programs that meet the criteria for major investments must be supported by and Exhibit 300 and associated documentation.

Telecommunications

Agencies are required to identify costs for telecommunications products and services in their IT investment portfolios. Agencies must consider shared network resources where feasible and demonstrate alignment with Departmental key initiatives and direction in the following areas:

The Universal Telecommunications Network. The USDA's next-generation enterprise architecture, the Universal Telecommunications Network (UTN) is under development to accommodate growing requirements for expanding electronic government and to meet guidelines in Freedom to E-file and the Government Paperwork Elimination Acts (GPEA). Anticipated to be in the implementation phase during 2005, UTN will enable continuing expansion of the electronic delivery of programs and information to the public while reducing circuit, equipment and labor costs Department wide. Agencies will be required to take the UTN shared network resources into consideration when planning new investments.

Cost Management. Telecommunications Services and Operations (TSO) works with the Office of the Chief Financial Officer (OCFO) and Departmental Administration (DA) to improve the accountability and management of telecommunications resources and assets throughout the Department. TSO leads a department-level working group in which members collaborate to simplify telecommunications acquisition processes and develop more robust tracking and reporting systems. Currently the working group is engaged in eight key project areas:

- Developing a strategy to better integrate platforms that support telecommunications acquisitions and tracking. Today those platforms vary widely in scope, functionality, age, architecture and scalability,
- Identifying and terminating idle circuits,
- Developing policy to support more efficient acquisition and billing of telecommunications products and services,
- Generating meaningful reports regarding telecommunications expenditures,
- Updating Budget Object Classification Codes (BOCC) to improve the integrity of report data,
- Migration to fewer, more robust acquisition systems,
- Automating the acquisition process through electronic data interchange (EDI), and
- Training telecommunications and financial personnel responsible for acquiring and tracking telecommunications products and services.

Enterprise Architecture

In order for information technology investments to effectively support the business of the Federal government, USDA, and agencies plan and use enterprise architectures. The Electronic Government Act of 2002 defines an architecture as:

> "a strategic information asset base which defines the mission; the information necessary to perform the mission; the technologies necessary to perform the mission; and the transitional processes for implementing new technologies in response to changing mission needs and includes: a baseline architecture; a target architecture; and a sequencing plan."

USDA information technology investments must fit into the:

- Federal Enterprise Architecture which establishes a common vocabulary for all Federal IT investments through reference models. This architecture includes Federal e-Government initiatives as well as IT investments for Departments. It includes references about the USDA Enterprise Architecture.

- USDA Enterprise Architecture which includes all IT initiatives that are developed for USDA. It includes initiatives that will be used across the Department including Departmental e-Government initiatives as well as Agency specific business applications.

For the purpose of responding to the FY-2005 portfolio formulation and review process, both architectures should be addressed. From the perspective of OMB, the Agency architectures are part of the USDA Enterprise Architecture.

Full definition of the common/enterprise portion of the USDA architecture and the continued development of Agency level architectures will require funding. OMB has asked that one joint Exhibit 300 be prepared for this purpose. OCIO Enterprise Architecture Division staff will be contacting your office to begin the process of developing the joint 300 within the next month.

Geospatial Information

Geospatial or geographic information systems are increasing in importance, not only in USDA but government-wide. Geospatial Information One Stop is a Presidential Initiative. As such, USDA must track investments with geospatial systems, and track the cost of the acquiring geospatial data.

OCIO is seeking two types of geospatial information: (1) information on geospatial information systems (equipment, software, and support services), and (2) information on the acquisition of geospatial data (developed within your agency, from private sources, or from other government agencies).

Investment Year 2005

EVENT	WHO	WHEN
Issue Portfolio Management Memorandum including Agency Action Items and Due Dates	OCIO	April 24
Major Investment Proposals Due to OCIO	Agencies	May 30
OCIO Assessments of Major IT Investments Proposals Provided to Agencies	OCIO	July 1
OCFO Assessments of Financial Management Investments	OCFO	July 1
Departmental Administration Assessments of Human Resources Management Investments	DA	July 1
Comments From Agencies Due to OCIO	Agencies	July 15
Update I-TIPS with FY 2005 Data (Concurrent with Submission of Agency Budget Request to OBPA)	Agencies	July 15
OCIO Recommendations Submitted to the E-Board	OCIO	July 30
Final OMB Exhibit 300 Due to OCIO	Agencies	August 15
E-Board Major Investment Decisions	E-Board	August 20
E-Board Decisions Provided to Agencies	OCIO	August 21
Revise IT Portfolio Reports Based on Department Passback	Agencies	Late August Early Sept
Exhibits 52, 53, and 300 Due to OMB (Concurrent with Submission of USDA Budget Request to OMB)	OCIO, OCFO	September 8
Receive OMB Passback & Business Case Scoring	Department/ Agencies	November/ December
Revise IT Portfolio Reports Based on OMB Passback	Agencies	December 2003/ January 2004
Review USDA IT Portfolio for investment year 2004	E-Board	December 2003/ January 2004
Prepare Exhibits 52, 53, and 300 for the President's Budget	OCIO	January 2004